

Deferred Compensation Tip Sheet

For all questions, call 619-531-5840

TPP Questions:

- Please return the forms to Deferred Compensation at A-49 or 1600 Pacific Highway, Room 102, San Diego, CA 92101. You can also fax it to 619-531-4937
- Your vacation payout (and any sick time you are eligible for) automatically gets paid out through the Terminal Pay Plan if you separate from the County at age 55 or above.
- For Deputy Sheriffs and Sheriff's Management, the age is 50.
- You can choose to have the money as a lump sum (cash option), rolled into your Deferred Compensation account or rolled into any pre-tax IRA.
- If you choose the cash option, you can either have a check sent to your home or wired into a checking or savings account. This last option requires an additional form to be filled out.
- If you choose the cash option, taxes will automatically be taken out. 20% for Federal taxes and States taxes will be taken out at a predetermined rate – for California it is 2%. For those immediately moving to a non-state tax residence, no state tax will be taken.
- If you are designated DS or SM, under 55 and choose the cash option, there will be an additional 2.5% State penalty tax.
- You do have an option to delay the State tax by checking the appropriate box on the tax form included in the package. This just delays the tax until the time when you complete your taxes for the year. It does not dismiss the tax. The Federal tax withheld can not be decreased but can be increased on this same form.
- At the end of the year, with the cash option, you will receive a 1099 from Wells Fargo, our trust bank.

Deferred Compensation Questions:

- When you leave the County, you may leave your Deferred Compensation account here with no extra costs or penalties and still get all the associated benefits.
- If you return on 120 day program, you are eligible to contribute to a 457. The 401a would not be an option but you can hold a 401a and a 457 at the same time.
- If you leave the County but are not officially retired and then return to work here, your 401a will automatically restart at the same percentage unless you suspend your contributions. If you are officially retired and come back on a 120 program, your 401a will not automatically restart.
- If you have an outstanding loan when you separate from the County, you have 60 days to pay it off or it becomes a taxable event.